

## Corr Wireless Communications, LLC (Alabama) (SAC 259005)

High Cost Disbursement Data - Microsoft Internet Explorer provided by mindSHIFT

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SPIN=Service Provider ID Number, HCL=High Cost Loop, HCM=High Cost Model, IAS=Interstate Access Support, ICLS=Interstate Common Line Support, LSS=Local Switching Support, LTS=Long Term Support, SNA=Safety Net Additive Support, SVS=Safety Valve Support

High Cost Disbursement Data (Spin = ALL, Sac = ALL, San = corr wireless communications%, Year = ALL, Month = ALL, State = ALL)  
This disbursement tool contains data from Jan 2003 through Feb 2011.

State	Spin	Study Area Code	Study Area Name	HCL	HCM	IAS	ICLS	LSS	LTS	SNA	SVS	Year	Month
AL	143011253	259005	CORR WIRELESS COMMUNICATIONS, LLC	\$16,132	\$11,365	\$6,427	\$25,959	\$6,226	\$0	\$1,743	\$0	2011	Feb
AL	143011253	259005	CORR WIRELESS COMMUNICATIONS, LLC	\$36,108	\$18,389	(\$884)	\$40,691	\$11,103	\$0	\$1,912	\$0	2011	Jan
AL	143011253	259005	CORR WIRELESS COMMUNICATIONS, LLC	\$56,172	\$27,716	\$3,650	\$61,484	\$14,218	\$0	\$1,201	\$0	2010	Dec
AL	143011253	259005	CORR WIRELESS COMMUNICATIONS, LLC	\$56,224	\$27,739	\$3,636	\$61,543	\$14,230	\$0	\$1,202	\$0	2010	Nov
AL	143011253	259005	CORR WIRELESS COMMUNICATIONS, LLC	\$58,993	\$26,230	\$2,932	\$63,760	\$15,010	\$0	\$1,182	\$0	2010	Oct
			CORR WIRELESS										

## Illinois Valley Cellular RSA 2-I (Illinois) (SAC 349008)

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High Cost Disbursement Data (Spin = ALL, Sac = 349008, San = ALL, Year = ALL, Month = ALL, State = ALL)  
This disbursement tool contains data from Jan 2003 through Feb 2011.

State	Spin	Study Area Code	Study Area Name	HCL	HCM	IAS	ICLS	LSS	LTS	SNA	SVS	Year	Month
IL	143000824	349008	ILLINOIS VALLEY CELLULAR RSA 2-I	\$1,940	\$0	\$5,228	\$10,705	\$4,083	\$0	\$0	\$0	2011	Feb
IL	143000824	349008	ILLINOIS VALLEY CELLULAR RSA 2-I	\$3,847	\$0	\$2,237	\$25,236	\$15,419	\$0	\$0	\$0	2011	Jan
IL	143000824	349008	ILLINOIS VALLEY CELLULAR RSA 2-I	\$1,913	\$0	\$3,269	\$15,713	\$10,360	\$0	\$0	\$0	2010	Dec
IL	143000824	349008	ILLINOIS VALLEY CELLULAR RSA 2-I	\$2,330	\$0	\$3,582	\$17,535	\$11,833	\$0	\$0	\$0	2010	Nov
IL	143000824	349008	ILLINOIS VALLEY CELLULAR RSA 2-I	\$2,127	\$0	\$5,713	\$15,595	\$10,277	\$0	\$0	\$0	2010	Oct

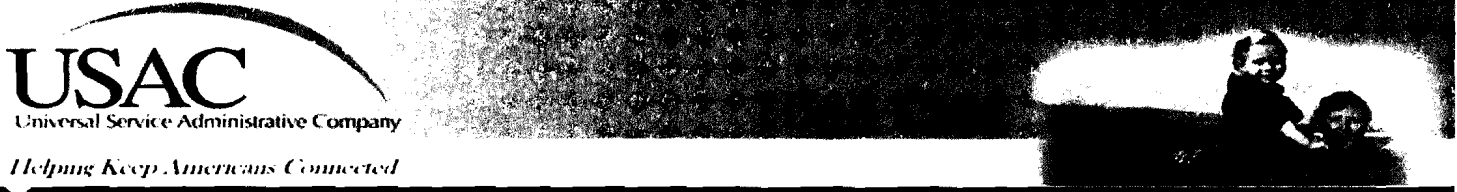
## Illinois Valley Cellular RSA 2-II (Illinois) (SAC 349009)

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**High Cost Disbursement Data** (Spin = ALL , Sac = 349009 , San = ALL , Year = ALL , Month = ALL , State = ALL )  
This disbursement tool contains data from Jan 2003 through Feb 2011.

State	Spin	Study Area Code	Study Area Name	HCL	HCM	IAS	ICLS	LSS	LTS	SNA	SVS	Year	Month
IL	143000825	349009	ILLINOIS VALLEY CELLULAR RSA 2 - II	\$1,799	\$0	\$2,445	\$4,507	\$4,583	\$0	\$0	\$0	2011	Feb
IL	143000825	349009	ILLINOIS VALLEY CELLULAR RSA 2 - II	\$5,700	\$0	\$1,125	\$10,184	\$11,343	\$0	\$0	\$0	2011	Jan
IL	143000825	349009	ILLINOIS VALLEY CELLULAR RSA 2 - II	\$3,374	\$0	\$1,458	\$6,365	\$6,883	\$0	\$0	\$0	2010	Dec
IL	143000825	349009	ILLINOIS VALLEY CELLULAR RSA 2 - II	\$3,980	\$0	\$1,613	\$7,087	\$7,752	\$0	\$0	\$0	2010	Nov
IL	143000825	349009	ILLINOIS VALLEY CELLULAR RSA 2 - II	\$3,508	\$0	\$1,609	\$6,343	\$6,836	\$0	\$0	\$0	2010	Oct

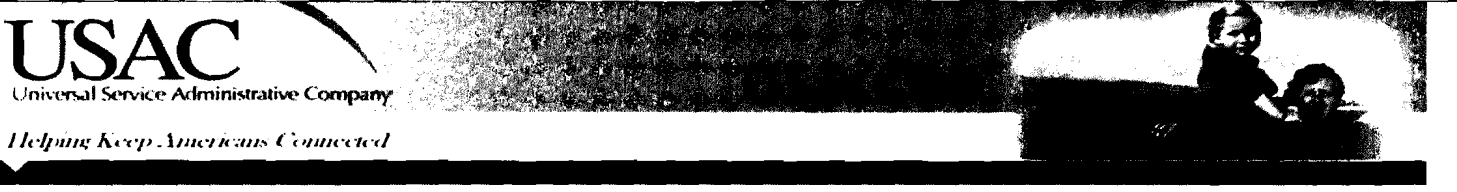
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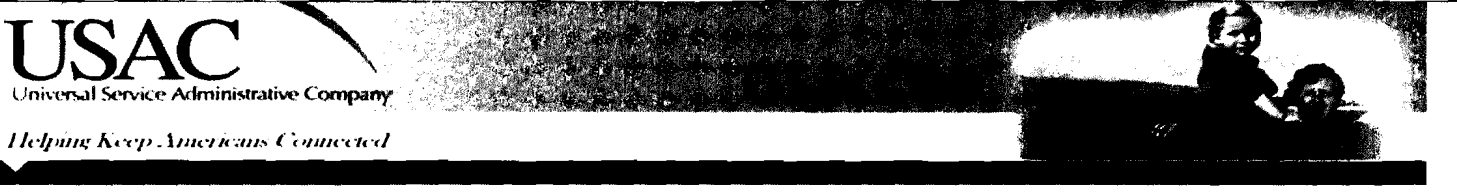
## PR Wireless, Inc. d/b/a Open Mobile (Puerto Rico) (SAC 639007)

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**High Cost Disbursement Data** (Spin = ALL , Sac = ALL , San = pr wireless% , Year = ALL , Month = ALL , State = ALL )  
This disbursement tool contains data from Jan 2003 through Feb 2011.

State	Spin	Study Area Code	Study Area Name	HCL	HCM	IAS	ICLS	LSS	LTS	SNA	SVS	Year	Month
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$650,908	\$0	\$0	\$0	\$0	2011	Feb
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,377,033	\$0	\$0	\$0	\$0	2011	Jan
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,468,818	\$0	\$0	\$0	\$0	2010	Dec
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,468,818	\$0	\$0	\$0	\$0	2010	Nov
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,468,818	\$0	\$0	\$0	\$0	2010	Oct
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,381,117	\$0	\$0	\$0	\$0	2010	Sep
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,381,117	\$0	\$0	\$0	\$0	2010	Aug

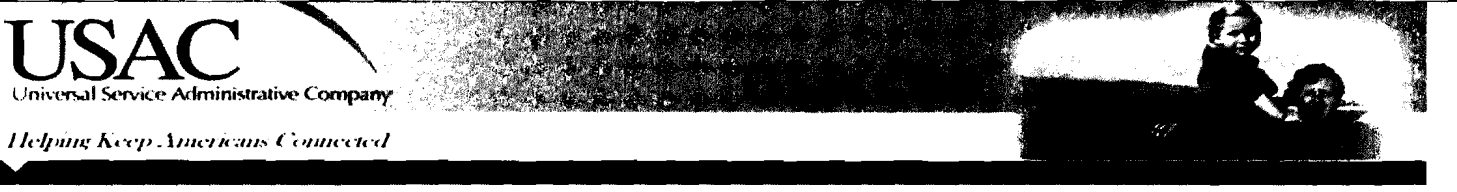
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PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,377,033	\$0	\$0	\$0	\$0	2011	Jan
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,468,818	\$0	\$0	\$0	\$0	2010	Dec
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,468,818	\$0	\$0	\$0	\$0	2010	Nov
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,468,818	\$0	\$0	\$0	\$0	2010	Oct
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,381,117	\$0	\$0	\$0	\$0	2010	Sep
PR	143030443	639007	PR WIRELESS INC.	\$0	\$0	\$0	\$1,381,117	\$0	\$0	\$0	\$0	2010	Aug

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**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
To: Wireline Competition Bureau	)	

**DECLARATION OF FEDERICO GROSSO IN SUPPORT OF  
JOINT MOTION FOR PARTIAL STAY**

I, Federico Grosso, declare and state as follows:

1. I am the Chief Financial Officer (“CFO”) and Vice President of Finance of PR Wireless, Inc. (the “Company”). My business address is P.O. Box 7891, Guaynabo, PR 00970-7891. I became CFO of the Company in 2007. Except as noted, I make this Declaration based on personal knowledge or review of the Company’s business records.

2. I have received a degree as a Certified Public Accountant in Business Administration from the University of Buenos Aires, in Argentina. In 2000, I earned an MBA from Georgetown University, in Washington, D.C. In my capacity as Company CFO, I am responsible for managing and monitoring all of the financial aspects of the Company’s business, as well as developing and managing its budgets and financial projections. Additionally, I am responsible for ensuring that the Company maintains and has access to adequate funds for working capital and capital expenditures to maintain and grow the business, meet customer demand, provide high

quality services, and remain competitive in our markets. In order to ensure access to working capital, I work very closely with our investors and lenders.

3. The Company is the leading pay-in-advance, no-contract wireless service provider in Puerto Rico. It has approximately an [REDACTED: ] subscriber market share as of the beginning of last year. Its CDMA network has about 90% licensed POP coverage across Puerto Rico for voice service and an EVDO network build out is in progress.

4. Puerto Rico is challenging to serve for several reasons. First, per capita incomes in Puerto Rico are substantially lower than incomes in the rest of the U.S. About 45% of households fall below the poverty line. Thus, our rates must be kept as low as possible in order to ensure ubiquitous service to the populace. Second, it is costly to import network gear needed to construct cell sites to our island. And third, unserved areas in Puerto Rico are mostly rural in nature. The costs per subscriber to provide service in remote and rural areas is very high. Thus, we depend heavily on universal service fund ("USF") support to provide service. [REDACTED:

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5. The Wireline Competition Bureau ("Bureau") issued a directive in a letter dated February 8, 2011 ("*February 8 Letter*"), from the Chief of the Bureau to the Vice President of the High Cost and Low Income Division at the Universal Administrative Company ("USAC") that requires USAC to adjust the size of the Interim Cap on high-cost support for competitive eligible telecommunications carriers ("ETCs"). The Interim Cap was adopted by the Commission in a rulemaking proceeding in May 2008, and took effect on August 1, 2008. My understanding is that the *February 8 Letter* directs a retroactive adjustment of the Interim Cap, and requires competitive ETCs, operating in states or territories in which downward cap adjustments are made, to pay, collectively, amounts potentially in excess of \$140 million to USAC.

6. I further understand that the development of accurate calculations regarding the impact of the Bureau's directive in the *February 8 Letter* has been hampered by the fact that USAC has not yet responded to requests filed several months ago seeking data pertinent to Interim Cap adjustments originally discussed in a letter sent to USAC by the Bureau on August 24, 2010. Additional data regarding the Interim Cap adjustments was contained in attachments to the *February 8 Letter*, but my understanding is that this additional data is not sufficient to enable calculations of the actual impact of the Interim Cap adjustments directed by the Bureau on the Company.

7. Despite the lack of data needed to calculate the exact impact of the *February 8 Letter* on the finances of our Company, we have attempted to estimate the impact, based on data that USAC has made public. This estimate has been derived by using USAC's published projected support data to calculate the cap month by month since the cap became effective on August 1, 2008, to date. We have calculated both the "unadjusted" cap as well as the monthly "adjusted" cap based on the impact of the *February 8 Letter*'s required adjustments. The calcula-

tions are shown in Appendix A to this Declaration. Based on the public data provided by USAC, the estimated “repayment debt” that would be imposed on the Company, as a result of the Bureau’s directive, with respect to universal service high-cost support we have received in Puerto Rico, is over \$3 million. This calculation provides a rough estimate of the Company’s debt obligation if USAC makes a retroactive adjustment to the Interim Cap baseline for Puerto Rico, as required by the *February 8 Letter*.

8. [REDACTED:

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9. [REDACTED:

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10. [REDACTED:

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11. Next, as the alleged obligation is repaid, there will be an immediate, unexpected, and unbudgeted reduction in the Company's gross income. The reduction of income will be compounded by any interest assessed by USAC. The reduction will be further compounded by the future reductions in support from the adjustment in the cap for Puerto Rico. Together, the impact on the Company is likely to be at least a half million dollars annually. But in some past years the cap adjustment impact has exceeded \$2 million annually. Based on my understanding of the Interim Cap, the cap for Puerto Rico was determined and fixed in 2008, and our Company developed capital and operating expense budgets accordingly in the two years since then. The Bureau's actions will, if not stayed, force the Company to slash expenses drastically.

12. From the consumer's perspective, the impact of the Bureau's creation of this unanticipated debt would reverberate throughout the Company's operations, and will significantly harm our customers and our competitive standing. The Company would be forced to decide whether to cut capital and/or operating expenses, or to pass costs of the debt payments and reduced support through to our end-user customers in the form of rate increases. Neither choice

will be good for consumers. In all likelihood we will have to take a combination of steps. Rate increases will likely be part of the mix, harming consumers. But imposing rate increases causes the Company irreparable harm, too, since it would erode our competitive position.

13. To the extent the Company chooses to cut other expenses, this path would also harm consumers, either by a decline in customer service if we cut operating expenses, or a reduction in call capacity or coverage if we decide to cut capital expenses. A hole of this magnitude in the Company's cash flow would force us to re-evaluate plans for network deployment and enhancement, and would cause us to consider the need to slow the development and roll-out of new service plans. [REDACTED:

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14. Regardless of the mix of steps the Company would be forced to take, as a result of the unexpected and significant debt obligation and the reduction of support going forward that would result from the *February 8 Letter*, the Company's customers will suffer because the extension and improvement of our network coverage will be adversely affected, the array of service plans we are able to offer customers could be limited, and the Company's overall service quality, which we strive to maintain and which is critically important to retaining and expanding our customer base, also could be impaired. Specifically, [REDACTED:

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15. Any combination of these effects, brought about by the debt obligation created by the Bureau, would likely have serious consequences for the Company's competitive position. The success of the Company in the competitive marketplace is driven by the prices for our services, the technologies we are able to deploy in our networks, the extent of our network coverage, and the overall quality of service we are able to deliver to our customers. If any or all of these factors are placed in jeopardy, then the Company's competitive position would be permanently and irreparably harmed.

16. [REDACTED:

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I declare under penalty of perjury that the foregoing is true and correct. Executed on March 28, 2011, at Guaynabo, Puerto Rico.

/S/

Federico Grosso  
Chief Financial Officer, PR Wireless, Inc.

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
To: Wireline Competition Bureau	)	

**DECLARATION OF JAMES H. WOODY IN SUPPORT OF  
JOINT MOTION FOR PARTIAL STAY**

I, James H. Woody, declare and state, under penalty of perjury:

1. I am the Chief Financial Officer ("CFO") of the Union Telephone Company (the "Company"). My business address is P.O. Box 160, Mountain View, WY 82939. I have been employed by the Company since 1967. From 1970 to 1989, I served as Accounting and Office Manager of the Company, handling general accounting, toll separation studies, and tariffs. In 1989, I became Executive Vice President and, in 1992, I also became General Manager. In 2005, I became Treasurer of the Company. I have been part of the management team since 1996, and a member of the Board of Directors since 2001. Except as noted, I make this Declaration based on personal knowledge or review of the Company's business records.

2. In my capacity as CFO, I am responsible for managing and monitoring all of the financial aspects of the Company's business, as well as developing and managing its budgets and financial projections. Additionally, I am responsible for ensuring that the company maintains

unserved areas are the most expensive cell sites to build, with the fewest potential customers to serve, it is likely that all of the cancelled new cell sites will be the ones planned for unserved areas, leaving those rural residents (or highway travelers) to wait years longer for mobile service.

10. Regardless of the mix of steps the Company would be forced to take as a result of the unexpected and significant debt obligation that would result from the *February 8 Letter*, the Company's customers will suffer because the extension and improvement of our network coverage will be affected, the array of service plans we are able to offer customers could be limited, and the Company's overall service quality, which we strive to maintain and which is critically important to retaining and expanding our customer base, also could be impaired.

11. It is my judgment, based on the estimate of the level of the debt obligation that the Company faces pursuant to the Bureau's directive in the *February 8 Letter*, that the Company will suffer the harms described in the preceding paragraphs.

I declare under penalty of perjury that the foregoing is true and correct. Executed on March 28, 2011, at Mountain View, Wyoming.

/S/

James H. Woody  
Chief Financial Officer  
Union Cellular